

FOURTEEN PAGES.

WASHINGTON, D. C., FEBRUARY 20, 1938.

D. C. STORE SALES
REMAIN CLOSE TO
HIGH 1937 LEVELShowing Highly Favorable.
Slight Decline From
Week Ago Seen.SITUATION IS SIMILAR
OVER FIFTH DISTRICTNorfolk Among Seven U. S. Cities
With Gains Over Year Ago.
Baltimore Unchanged.

By EDWARD C. STONE.

Trade in Washington department stores remained on an even keel during the past week, holding its own with the corresponding week last year, the Commerce Department weekly review announced yesterday. Similar conditions were reported in the rest of the fifth Federal Reserve district, the trade status being better than in many centers outside this territory.

Business in the Capital was 1.16 per cent under the previous week. No percentage comparison was made with the same period a year ago, as there was so little difference in the trade levels. Only one of the seven big department stores here reported a decrease from the 1937 sales total. Trade conditions in the Capital are considered highly favorable, as it will be recalled that the spring months of 1937 represented a peak period of business activity in the previous seven or eight years. Furthermore, Easter is still approximately two months away and little business of this type has yet appeared, the Commerce summary states.

Norfolk was mentioned as one of seven cities in the national survey which business was slightly better than last year. Baltimore was rated with Washington as a city in which business was practically unchanged during the week. Charleston, S. C., experienced a firm trend in both cash and installment sales.

Bank clearings in Washington for the week totaled \$21,407,966, against \$24,422,483 in the same week last year. Building permits were off \$420,000, compared with \$645,600 a year ago. More tourists visited the Washington Monument than in the previous week or a year ago, the report said.

Gas Preferred Sells Higher.

Washington Gas Light preferred stock figured in a 30-share sale at 99½ yesterday on the Washington Exchange. This is higher than the stock had been selling so far this year.

The largest share turnover during the week on the exchange was in Capital Transit stock. Early in the week 200 shares changed hands during one session at 8½. The stock has not moved either way since the transit company announced plans to borrow approximately \$1,000,000 from 16 local banks to be used in the purchase of new equipment.

Dividends will be paid in a few days on the Potomac Electric Power company and preferred issues on Washington Railway & Electric company and preferred, and on Lanston Monotype stock. These stocks are now being quoted ex-dividend on the exchange.

Insurance Cashiers Meet.

The cashiers section of the District Life Underwriters' Association held a February luncheon Friday at a downtown restaurant, with J. Balch Moore, insurance superintendent in the District, and Paul H. Franks, president of the underwriters' association, honor guests.

Mr. Moore stressed the importance of the work of the cashiers and pointed out many ways in which they can co-operate most helpfully with offices in the field, as well as with all selling agents. Mr. Franks also spoke briefly, the new section having been launched under his administration.

Joseph F. Woods is chairman of the section; Amelio Fagnino, vice chairman, and Ida V. Lyons, secretary.

Bank Debts Off Seasonally.
Debts to individual accounts reported by Washington banks for January were seasonally lower than the December total, registering a decrease of 13 per cent from the preceding month.

This percentage decrease was less than the drop for the country as a whole, indicating that business in Washington held up a trifle better than that of the average community.

The Standard Statistics Co. index of bank debits for Washington is computed at 129 (average of 1920-1924 equals 100) for last month, against 180 for December.

Noted in Financial District.
The Norfolk & Western Railway's quarterly dividend of \$1 a share on the preferred stock was received here yesterday. The United States Steel Corp.'s quarterly dividend of \$1.75 a share on the preferred stock was also paid yesterday.

Daily average sales of chain grocery stores for January were about 1 per cent below the dollar volume for January, 1937, according to preliminary estimates of the Bureau of Foreign and Domestic Commerce.

Total sales for the year 1937 were about 1½ per cent above 1936, and were higher than for any year since 1931. However, the increase was considerably less than any year to year gain recorded during the recovery period. Chain grocery sales for 1937 were still 7 per cent below the 1929 level.

M. S. Szymczak, member of the Board of Governors of the Federal Reserve System, will be honored at a dinner given by the Manhattan Society in New York tomorrow evening. Gov. M. S. Eccles will attend, as will many New York financiers.

U. S. FILMS IN LEAD.

An important exporter of American merchandise is Hollywood. Seventy per cent of the films shown in 72,097 theaters in 80 foreign countries last year were American made, according to the Department of Commerce.

Earnings

By the Associated Press.
NEW YORK, Feb. 19.—Corporate earnings reports issued during the week showing profits per common share included:

Company	1937	1938
Fed. L. & Tractor	\$0.75	\$0.87
Lone Star Cement	.81	.88
Underwood-Eastman	2.08	2.31
Amer. Radiator	.88	.70
Baldwin Locomotive	.32	.31
Goodyear Tire	1.94	3.08
Hollinger Cons. Gold	1.05	1.11
Monanto Chemical	4.40	4.01
National Biscuit	1.41	1.25
National Distillers	3.88	3.80
Owens-Ill. Glass	2.41	2.78
Quaker Oats	2.08	2.08
Raybestos-Manhattan	3.03	2.96
Tubize Chatham	1.04	1.45
United Carbon	3.90	3.84
Western Auto Supply	3.20	8.96

†On preferred "A."

ACTIVITY REVIVES
AT COTTON MILLS

January Rate at 93.5 Per
Cent, Against 92 Per
Cent in December.

By the Associated Press.

The Census Bureau reported yesterday the cotton spinning industry operated during January at 93.5 per cent of capacity, on a single shift basis, compared with 92 per cent in December and 139.9 per cent in January last year.

Spinning spindles in place January 31 totaled 26,610,596, of which 22,327,444 were active at some time during the month, compared with 26,704,476 and 22,328,472 for December and 27,288,050 and 24,364,802 for January last year.

Active spindle hours for January totaled 5,682,452,698, or an average of 214 hours per spindle in place, compared with 5,726,020,185 and 214 for December, and 5,886,958,938 and 315 for January last year.

Spinning spindles in place in cotton-growing States January 31 numbered 18,812,744, of which 16,897,958 were active at some time during the month, compared with 18,798,330 and 17,280,348 for December, and 18,980,790 and 17,662,922 for January last year.

Active spindle hours for January in cotton-growing States totaled 4,554,720,798, or an average of 242 hours per spindle in place, compared with 4,646,507,392 and 247 for December, and 4,868,244,608 and 346 for January last year.

TRADE RECESSION
SLOWS IN JANUARY

Further Ground Lost, but Rate
Slackens, According to
Analyst Writer.

Special Dispatch to The Star.

NEW YORK, Feb. 19.—Economic activity in the United States lost further ground in January, but the rate of recession slackened sharply, according to the monthly review of domestic business conditions by H. E. Hansen in the current issue of the Analyst.

Industrial production was only slightly lower than in December. Factory employment and payrolls showed more substantial declines, but the factory worker was aided by a further cut in the cost of living.

The dollar volume of retail trade declined moderately, partly because of a decrease in retail prices. Department store sales, however, advanced. The construction industry again made a favorable showing, awards declining by less than the usual seasonal amount.

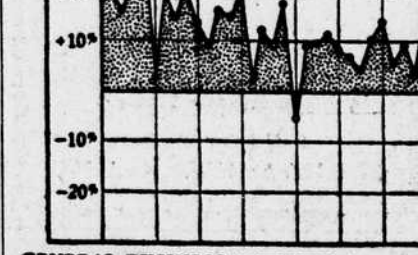
The character of the present decline in retail trade is much the same as that for previous business recessions. Heavy goods and luxury items are the hardest hit. Demand for these and other products which are largely purchased on installment plans are very sensitive to changes in consumer income. Sales of necessities, of course, are always fairly stable, although demand shifts to goods of lower unit price.

ESTATE TAXES RISING.

NEW YORK, Feb. 19 (Special).—A \$5,000,000 estate in 1931 would have been taxed \$490,140, but seven years later, in 1938, the tax would be \$2,000,100, according to the Guaranty Trust Co. of New York.

How Is Business?

Showing Current Business Activity Compared With the Same Week a Year Ago.



GENERAL BUSINESS ACTIVITY FOR THE COUNTRY INDICATED BY BANK DEBITS OUTSIDE N. Y. CITY.

Shaded areas show week of activity above the corresponding week of the previous year. Black areas indicate decline from same week twelve months earlier.

ACTIVITY BY FEDERAL RESERVE DISTRICTS

Check Transactions compared with the same week a year ago.

District	1937	1938
Boston	127.7%	128.2%
Chicago	127.7%	128.2%
Cleveland	127.7%	128.2%
Philadelphia	127.7%	128.2%
Pittsburgh	127.7%	128.2%
St. Louis	127.7%	128.2%
San Francisco	127.7%	128.2%
Seattle	127.7%	128.2%
Wash. D. C.	127.7%	128.2%
Wichita	127.7%	128.2%

LEADING BAROMETERS

Showing Trend of Important Factors

Present Trend

% Change From Year Ago

Business in Dollars (Checks Cashied) Downward -14.7

Employment (Dept. of Labor) Downward -9.7

Wages (Dept. of Labor) Downward -15.0

Cost of Living (Ind. Conf. Board) Downward +0.6

Wholesale Prices (Fisher's Index) Downward -8.6

Agricultural Prices (Bureau of Labor) Upward -21.6

Movement of Goods (Car Loadings) Upward -16.2

Retail Trade (Fed. Res. Board) Steady -2.2

Building Contracts (F. W. Dodge) Downward -7.3

Failures (Dun's) Downward +29.1

Bond Prices (Dow-Jones) Upward -12.6

Stock Prices (Composite Dow-Jones) Upward -39.0

Stock Mkt. Vol. (Shares Traded) Downward -76.1

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BUSINESS HAILS
U. S. PROGRAM FOR
FARM PROSPERITYAgricultural Buying Power
Is Vital Factor in Do-
mestic Market.WIDESPREAD BENEFITS
EXPECTED AS RESULTRural Dealers Reported Already
Stocking Up Shelves to Meet
Increased Demand.

By J. G. DONLEY.

Special Dispatch to The Star.

NEW YORK, Feb. 19.—For the farmer in the dell, things look very, very well—now that the A. A. A. of 1938 has become law and the administration is going to do something about bringing farm prices back to the "parity" with other prices which they achieved for a brief period early in 1937 and swiftly lost.

Apparently, the idea this time is to bring down prices of some of the things the farmer buys, rather than to attempt to achieve "parity" by putting prices up for all farm products. But, in certain selected situations, a little steam will be put under prices of things the farmer has to sell.

Whether or not business sees eye to eye with the price-pepping plans, it is a unit in its belief that anything that helps the farmer—provided it does not hurt too much in other directions—will be beneficial to general trade and industry. For farm prosperity is assurance that a large section of the domestic market will be a good market.

Auto Sales Heavy.
Take automobiles, for instance. In the years 1935 and 1936, according to a study just released by the Department of Agriculture, and based on a survey of 17,000 farm families in 64 typical farming counties, purchases of new cars averaged nearly three per thousand families. Purchases of used cars set a rate nearly twice as high, at practically five used cars per thousand families. Farm families the country over paid an average of \$739 for new cars and \$263 for used cars, the latter being generally of the "high-value" class.

Or take agricultural machinery. When the farmer is sitting pretty he always goes in for production aids that lighten labor. It is estimated that the country's farmers purchased well over \$500,000,000 worth of farm machinery last year, which was an increase of about 30 per cent over 1936, and set a new all-time peak well above the 1929 record.

Steel Demand Cited.
Taking a look at steel, we find that, during the past nine years, agricultural use of steel has fluctuated between 3½ and 9½ per cent of the total distribution of finished steel. In tonnage, it has ranged between 350,000 and 2,270,000 tons. It has been estimated that the potential maximum for agricultural use of steel, likely to be attained with a few years of broad recovery, is around 3,000,000 tons.

The farm use of steel takes the form of products as wire, fencing, galvanized and corrugated sheeting and the like, but takes no account of the steel used in manufacturing finished products the farmer buys.

Real prosperity on the farm also would help the building industry, for various estimates have indicated a greater deficiency in dwellings on the farms of the country than exists in the urban districts.

Sales Spurt Expected.
In this week's Trade Review, Dun & Bradstreet reports that "in rural districts, retailers stocked seeds, garden tools and farm equipments, anticipating larger sales than a year ago."

It also reports that passage of the farm bill "sent orders for print cloths to the largest volume in five weeks."

This development in cotton textiles grew out of belief that control of cotton production this year is likely to be more successful than previous efforts, for the main reason that last season's crop was the largest on record.

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COCOA FUTURES.

NEW YORK, Feb. 19 (AP).—Cocoa futures closed 17-20 higher. Sales 4,137 tons. March, 6.14½; May, 6.17½; July, 6.18½; September, 6.21. A nominal.

OILS AND COPPERS
LEAD STOCK RISE
IN SLOW TRADINGPeaks Set Around Close.
Most Advances Range
to Point or So.TICKER TAPE REGISTERS
ONLY 295,950 SHARESMany Traders Start Holiday Early
and European Developments
Make for Caution.

By FREDERICK GARDNER,

Associated Press Financial Editor.

NEW YORK, Feb. 19.—Oils and coppers led a tottering climb in today's stock market and enabled the list to end the third consecutive week with a net advance.

While gains for the brief session ran to a point or so among favorites, a few specialties were up 2 to 3. Best prices were registered in the final few minutes of dealings.

The ticker tape was inclined to creep throughout, with transfers of 295,950 shares being the smallest volume for any day since October 2, last. But even with the restricted turnover the Associated Press average of 30 stocks was up .4 of a point to 44.6. For the day period the composite was ahead .8 of a point.

Anticipate Recession.
There was little spot news in the Saturday proceedings to inspire either buyers or sellers to extend positions to any great extent. Many traders got an early start on the holiday with the intention of skipping Monday's session. Tuesday the exchange will recess for the observance of Washington's birthday.

An inclination to step easily was also evidenced because of the growing complexity of European affairs which may be climaxed in the scheduled speech of Chancellor Hitler tomorrow.

Among the day's best gainers were Standard Oil of New Jersey at 51; Texas Co., 42; Amoco, 33; Kennecott, 39; Cerro de Pasco, 40; Union Carbide, 76½; Johns-Manville, 77½; Phillips Morris, 83½; Chrysler, 56; General Motors, 35½; Westinghouse, 36; Santa Fe, 36½; Du Pont, 118 and Seaboard Oil, 23½.

Inflation Talk Fades.
"Inflation" was the principal market theme earlier in the week and, according to the majority of brokers, accounted for the underlying strength of the list as a whole.

However, this idea was subjected to a chilling draught on Friday when the President, at his press conference, restated his position on balanced price levels and virtually renounced inflation and dollar devaluation as a means to this object.

Stock prices on the first trading of these remarks, but partially regained balance later as it became known Wall Street opinion differed as to just exactly what the Chief Executive meant. Some analysts appeared still confused as the week drew to a close, while others thought the White House comments indicated a constructive administrative program to break the recession in the making.

The dollar, weak recently in terms of European currencies, steadied.

Cool to Gold Plan.
"Deterioration" of a small part of the Treasury's sequestered gold and virtual suspension of the gold import policy, while seen as a gesture toward widening credit, left markets rather cool and stocks dipped on the announcement.

Action of United States Steel and other important companies in this field in reaffirming second quarter prices was a bolstering influence in that it advanced the possibility of pent-up steel buying being loosened because of the likelihood there would be no further price cuts. At the same time "Big Steel" stock skidded when the corporation announced it would seek authorization to increase its common shares by 2,500,000.

Hopes for business revival were seen in orders of the President to the F. F. C. to resume lending to railroads and other industries. Helpful, too, was the approval of the House Ways and Means Committee of proposed revision of the capital gains and undistributed profits tax laws.

FOREIGN EXCHANGES

TURN DOWNWARD

Sharp Rise of European Currencies

Against Dollar Followed by

Quick Slump.

By the Associated Press.

NEW YORK, Feb. 19.—Leading European currencies, swelled along by inflation talk and rumors of further devaluation of the dollar, advanced sharply during the week to new highs for 1938—but it didn't last.

On Wednesday sterling reached 5.039-16, in terms of the dollar. The Netherlands guilder at 56.15 cents and Belgian francs at 1.03 were likewise at new higher price cuts. At the same time "Big Steel" stock skidded when the corporation announced it would seek authorization to increase its common shares by 2,500,000.

These advances represented an acceleration of the flight of foreign balances held in this country. On Thursday the advances were halted by profit-taking and conversion of profits into gold, with the result that the demand for bullion in London was the heaviest for some time.

On President Roosevelt's discussion of price levels Friday, and his remark that no further devaluation of the dollar was being considered, sterling, Swiss and French francs, guilders and Belgian immediately tended lower in terms of the dollar.

The demand for gold in London was reflected also in the exchange of any gold shipments abroad for shipment to New York. It was the third consecutive week without any engagements.

Dow Jones Stock Averages

(Registered United States Patent Office.)

NOV. 13 20 27 4 11 18 24 31 8 15 22 29 6 13 20 27

INDUSTRIALS

HIGH CLOSE LOW

133.09 NOV. 12 129.98 DEC. 21 134.35 JAN. 11 113.64 NOV. 24 118.93 DEC. 28 118.49 FEB. 3

The high, low and closing averages of 30 industrial stocks as compiled by Dow Jones & Co. are shown above. Extending back for four months, the top of each vertical line represents the high while the bottom represents the low point of each day. The small intersecting horizontal line represents the closing average. The high and low averages of each month are given on either side of the average lines. Industrials improved further this week and closed near their Saturday's peaks.

RAILROADS

34.26 NOV. 13 32.68 DEC. 21 32.33 JAN. 10 29.15 NOV. 24 29.91 DEC. 28 27.08 FEB. 3

The Dow Jones averages of 20 railroad stocks are compiled above in the same manner. Rails were about steady after following an uneven course.

UTILITIES

21.48 NOV. 10 22.96 NOV. 27 21.86 JAN. 12 20.38 DEC. 29 18.25 FEB. 3

Averages of 20 utilities are shown in the third section of the compilation. This group tended to improve but failed to get far.

DAILY VOLUMES

SATURDAYS

The volume of shares traded on the stock market for the same period is shown above.

BRITISH WORRIED

BY GERMAN MOVES

London Markets Depressed.

Hitler Statement Awaited

Anxiously.

By LEONARD J. REID.

NEW YORK, Feb. 19.—A dismal week in the London markets ends with a slightly better tone, but with external factors in complete control. The financial district, overshadowed by Austro-German events, and with the markets interpreting the week's developments as seriously complicating the European situation, is now anxiously awaiting Chancellor Hitler's Sunday statement to the Reichstag.

Although there was no really heavy selling in the securities market, the despondent tone caused a steady sagging of prices throughout the list, including light-edged issues, whose recent resilience is now exhausted and which were unable to resist the profit-taking which developed in midweek.

While Wednesday's issue of £2,000,000 Johannesburg 3½s, priced at 99½, was oversubscribed, the scrip is now quoted at an appreciable discount, as also are other recent issues.

The absence of buyers in all other classes, coupled with the reluctance of dealers to add to their books, caused a marked downward tendency in quotations, which was only checked toward the end of the week by bear covering following Thursday's rally in Wall Street.

The decline was slightly less pronounced in gold mining shares, the market presumably arguing that Secretary of the Treasury Morgenthau's statement practically precludes the possibility of a fall in the price of gold. The commodity markets here are inclined to respond to Secretary Morgenthau's announcement and President Roosevelt's declaration that commodity prices are too low, and London is cautiously raising prices.

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INVESTMENT COMPANY

STOCK AVERAGES GAIN

Special Dispatch to The Star.

NEW YORK, Feb. 19.—Investment companies common stock prices rose slightly last week, according to the averages compiled by Distributors Group, Inc.

The average for the common stocks for 10 leading management companies influenced by the leverage factor stood at 10.40 at the close of February 18, compared with 10.20 on February 11. The average of five mutual type investment funds closed at 10.71 on February 18, compared with 10.50 on February 11.

TRADE FOLLOWS

ERRATIC COURSE

WITH INDUSTRY

Small Steel and Auto Gains

Contrasts With Power,

Loadings Decline.

RETAIL VOLUME OFF

IN 15 MAJOR CENTERS

Losses From Year Ago Reported

by Commerce Department

in Weekly Review.

By THOMAS E. FLANAGAN,

Associated Press Financial Writer.

The Nation's business pursued an erratic course during the past week. Modest gains in steel and motor production contrasted with losses in freight carloadings and output of electric power.

Retail trade was "mixed," the Commerce Department said, reporting business conditions in 36 cities. The Associated Press index of industrial activity sagged to 70, the lowest point since December, 1934. The previous week it was 70.4, a year ago 100.7.

Operations in the steel industry moved up a notch to 31 per cent of capacity, the American Iron & Steel Institute estimated. This compared with 30.7 in the previous week, 29.8 a month